CARES ACT

• What Cities/Counties are Doing
• What Else Can Be Done?
• Regional CARES Act Resources
CARES ACT

What we are hearing from you:

- Stretching to spend CARES money
- Struggling to understand impacts of COVID on revenues and real estate
- Unsure of approved CARES options
- Need ideas for addressing long-term impacts that fit requirements
CARES ACT

Key Observations

• Cities benefit from having a CARES funding advisory committee

• Consideration needs to be given for more than the short-term fixes
  o Cleaning city hall has merit - don’t forget actions which benefit short-term and long-term
What Cities/Counties are Doing

- Hazard pay for public safety
- Business assistance programs
- Technology improvements for teleworking
- Improvements to city hall to provide functional virtual meetings
- Full disinfectant of city buildings
- Firefighter COVID prevention equipment
- CPR Devices
- Public outreach equipment
- Day care expansion
- New police personnel
- Cleaning and remodeling of senior centers
- Food bank improvements
What Cities/Counties are Doing

• Outreach vans ($40,000-$60,000)
• Laptops for remote work ($10,000-$50,000)
• Disinfectant fogger systems ($10,000-$25,000)
• Portable air cleaners ($35,000-$650,000)
• Face coverings ($2,500-$15,000)
• Downtown outdoor seating ($75,000)
• Food care coalition facility ($200,000)
• Ballpark upgrades ($25,000-$125,000)
• Protective clothing ($10,000-$60,000)
• Virtual fitness systems for recreation center ($10,000)
• Redesign of community rooms ($50,000-$75,000)
• Software to permit sales to move online ($5,000-$19,000)
• Transition housing facility – financial assistance ($250,000)
• Portable library vans ($40,000-$55,000)
• Wireless microphone systems ($2,000-$18,500)
What Cities/Counties are Doing

• Contingency for Zoom fees and supplies
• Touchless entry access ($25,000-$225,000)
• Addition of ultraviolet light on air handlers ($130,000)
• Cleaning of fire and police stations ($10,000-$18,000)
• First responders

Other States (in addition to the previous):

• Main Street/downtown study programs
• Tourism impact study/survey
• Retail impact studies
• Hospitality impact studies
• Medical office/facilities impact analysis
What Else Can Be Done?

What do we know about impacts of COVID-19?

- It has/will have short-term and long-term impacts on revenues
- It is changing commercial real estate
- It is influencing housing
• Online sales have shifted from 12% of total retail spending to more than 22% during COVID – how will this influence revenues – direct to residences and away from brick and mortar?
• COVID has accelerated online shopping and resulted in less need for retail square feet per capita
• Housing – blue collar and minorities have been hit harder both with health and economics
• Suburbs and rural areas are seeing heightened demand for flex office uses and housing
• Coastal communities are experiencing notable rental and value declines – exodus to states deemed “stable”
• Office space is being reimagined – reversing trend of reducing square feet per employee
  • Long term impact on transportation
  • Long term impact on parking
  • Changing trend of office impact on retail
2019 - Avg Retail Sales Sq.Ft. - $425
2020 - Avg Sales Sq.Ft. - $240

2019 - Avg Hotel Occupancy - 78%
2020 - Avg Hotel Occupancy - 14%

2019 Sales Tax From Block - $51,750
2020 (annualized) Sales Tax From Block - $28,750

2019 Neighborhood Retail Occupancy - 91%
2020 Neighborhood Retail Occupancy - 70%
2019
Total Occupied Commercial Space = 2.6 million square feet
Average Commercial Sales Per Square Foot = $325
Total Point of Sale Direct to City = $4,225,000

2020 (annualized)
Total Occupied Commercial Space = 2.2 million square feet
Average Commercial Sales Per Square Foot = $285
Total Point of Sale Direct to City = $3,135,000
<table>
<thead>
<tr>
<th>City</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Fork</td>
<td>197%</td>
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<tr>
<td>Lehi</td>
<td>97%</td>
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<tr>
<td>Lindon</td>
<td>316%</td>
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<tr>
<td>Pleasant Grove</td>
<td>45%</td>
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<tr>
<td>Provo</td>
<td>60%</td>
</tr>
<tr>
<td>Spanish Fork</td>
<td>109%</td>
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<tr>
<td>Orem</td>
<td>142%</td>
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</tbody>
</table>

If online sales have nearly doubled as a percentage of total retail spending, what happens to these capture/leakage rates?

More balance as purchases are made at home
Financial Sustainability

City Revenues

Property Tax Impact?
Sales Tax Impact?

- Property Tax
- Sales Taxes
- Energy Use Tax
- Licenses and Permits
- Intergovernmental
- Fines & Forfeitures
- Miscellaneous
Financial Sustainability

Sales and Use Tax as Percent of Revenue

- Brigham City – 29.8%
- Clearfield – 26.2%
- Herriman – 19.6%
- Saratoga Springs – 21.9%
- Layton – 31.9%
- Logan – 10.3%
- Tremonton – 26.7%

How does a 10% change in sales taxes impact city budgets?

What is done to account and adjust for lost revenues?

Focus on key nodes that will continue to generate income
What efforts can you take for these COVID related losses and to make short-term *and* long-term adjustments?
• Small Area Plans
  • Which key areas need to be repurposed due to COVID changes?
  • Are you now overparked? Overbuilt with retail? Heavy in employment sectors that are changing space needs?
• Financial Sustainability Models
  • How balanced are your revenues?
  • How much will revenues change due to long-term trend alterations from COVID?
  • Best practices of other cities

• Retail Sales Analysis
  • Key Intersections/Nodes
  • Centers Study
  • Leakage/Capture Analysis
• Downtown Studies
  • Which shops fit changing trends?

• Highest and Best Use Studies
  • What was feasible before may not be feasible now
  • What are financial impacts from altered uses?
- Fiscal Impacts Analysis
- Residential is now “generating” retail sales revenues at much higher levels than pre-COVID
- Office dynamics will change if less space is needed for parking

<table>
<thead>
<tr>
<th>Use Type</th>
<th>Building Size</th>
<th>Land Size</th>
<th>City Property Taxes</th>
<th>City Property Taxes/Per Acre</th>
<th>Sales Taxes</th>
<th>Population Distribution</th>
<th>Municipal Energy Fees</th>
<th>Total Taxes and Fees</th>
<th>Total Per Acre</th>
<th>Total Per Bldg Sq.Ft.</th>
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<tbody>
<tr>
<td>Office</td>
<td>250,000</td>
<td>16.40</td>
<td>$79,332</td>
<td>$4,838</td>
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<td>0</td>
<td>60,000</td>
<td>139,332</td>
<td>8,497</td>
<td>0.56</td>
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<td>Retail</td>
<td>25,000</td>
<td>2.30</td>
<td>$6,114</td>
<td>$2,663</td>
<td>43,750</td>
<td>0</td>
<td>6,000</td>
<td>55,864</td>
<td>24,334</td>
<td>2.23</td>
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<tr>
<td>Multi-Family</td>
<td>300,000</td>
<td>4.91</td>
<td>$37,540</td>
<td>$7,651</td>
<td>21,600</td>
<td>88,650</td>
<td>36,000</td>
<td>183,790</td>
<td>37,458</td>
<td>0.61</td>
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</table>
• Tourism Impact Studies
• Hotel chains closing – what impact on TRT is this for you? What impact on employment?
• How will tourism look in future years
• Are you overbuilt for hotels?
• RDA/CRA Revenue Impact Analysis
  • Reduced property values?
  • Reduced sales tax increment?

• Office Space Need Study
  • Will reduced employee counts impact retailers, parking needs?
  • Sublease space
REGIONAL CARES ACT RESOURCES
EDA CARES Act Funding – WFEDD/WFRC

September 17, 2020
Topics Covered

• Wasatch Front Economic Development District Overview
• CARES Act Overview
• How to Apply for the Funding
  • *TLC Program Coordination
• Questions and Answers
WFEDD Boundaries – *Utah’s Association of Governments

Davis County
Morgan County
Salt Lake County
Tooele County
Weber County
Mission: Support economic development plans, promote long-term economic competitiveness, and attract federal monies in order to implement local plans.
“The Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law by President Donald J. Trump, provides the Economic Development Administration (EDA) with $1.5 billion for economic development assistance programs to help communities prevent, prepare for, and respond to coronavirus.”

• $400,000 to WFEDD
• Provide Technical Assistance to Local Governments to respond and recover from COVID-19 impacts
• Update Comprehensive Economic Development Strategy
Example Project Types: COVID-19 Response and Recovery

- Assessing regulatory barriers to economic shifts that are resulting from COVID-19
- Adjusting land use and parking to meet post-COVID-19 community needs
- Planning for temporary infrastructure operations responding to COVID-19 impacts such as:
  - Telecommuting centers
  - Temporary bicycle and pedestrian facilities
  - Fast track of immediate broadband needs
- Providing local tax breakdowns per community consider how to bolster local tax sources.
Application Requirements

- **$50,000 maximum grant – *No match requirement**
- Direct connection to recovery and resiliency efforts in response to COVID impacts
- Consider benefits to under-represented communities
- Have access to WFRC’s Pool of Consultants
- Funds must be expended before June 30, 2022
How to Apply for the Funding

• Transportation and Land Use Connection Program Coordination
• Letter of Intent Form - *one-page simple form
  • Initial Deadline – September 30, 2020
• We will work with you on Letter of Intent Requirements
Submit a Letter of Intent

TRANSPORTATION AND LAND USE CONNECTION

Letter of Intent Form
Letters of Intent are due in September.

https://docs.google.com/forms/d/e/1FAIpQLSdjUkqTWep_LAnPr6DvnxqCFyOnDQmyMsgSSaV9IR79PcKwdw/viewform
Letter of Intent Form Requirements

- Select “TLC Program”
- Brief Description of Project - *Indicate Applying for EDA Funds
- Elected Official’s Signature
- **Initial Application Deadline – September 30, 2020**
Thank you!

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